

## SUBSISTENT ENTREPRENEURSHIP IN GHANA:

Understanding how entrepreneurs make decisions.

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### **Abstract**

Entrepreneurship is critical to the economies of developing countries as it is the main source of employment. This is because people in these contexts are often inadequately prepared to pursue any other employment options, nor are other options – such as wage employment – available to them. They therefore take on self-employment out of necessity. However, due to its low barriers to entry, the easily observable nature of businesses, and the multitudes of people needing to engage in entrepreneurship, this form of entrepreneurship often creates little value, due to a reliance on replication and the resultant over-competition. Regardless, due to its significance in these contexts, it is imperative to understand why subsistence entrepreneurs enter into self-employment, how this unfolds over their careers, the types of obstacles they face, and what guides their choices. By interviewing twenty (20) self-employed Ghanaian entrepreneurs in March 2017 about why they decided to pursue self-employment and what guided their choices, I isolated three factors influencing their entrepreneurial choices. Firstly, “Life-obstacles” such as unemployment and lack of education unexpectedly thrust them into self-employment. Secondly, “venture-specific influencers” such as social capital and their desired goals from entrepreneurship influenced the type of ventures that could be pursued. And finally, “Life-events” like relocation, marriage, divorce, and pregnancy led to a continual cycle of entry, exit, and re-entry into entrepreneurship.

Central to these findings is that subsistence entrepreneurship is shaped by external forces, Hence to influence and positively impact those engaged in this type of entrepreneurship, these outside influences should be confronted. To encourage profitable ventures, it is recommended that free education, self-help groups, and skill-development programs be introduced, which should prepare entrants for success

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**Keywords** Subsistent entrepreneurship, self-employment, social capital, social network, Ghana, life-events, life-obstacles, venture-specific influencers.

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## 2 INTRODUCTION

Entrepreneurship is essential for economic growth (Linan, Fernandez-Serrano, & Romero, 2013), with entrepreneurs acting as agents of economic and social change (Langevang, Namatovu, & Dawa, 2012). Globally, especially in developing countries, entrepreneurship is quite popular as a significant proportion of jobs available is self-employment (Margolis, 2014). People living in low-income countries are attracted to self-employment by virtue of the communities they are embedded in (Linan et. al., 2013), as well as the fact there are often no other ways to be economically engaged (Fox & Thomas, 2016). Regretfully, deprived economic contexts can both limit opportunities as well as ability to exploit these opportunities (Devece et al., 2016). The constraint of engaging in self-employment in developing countries is further inhibited by lack of education, information, financing, and supportive institutions (Gupta & Jaiswal, 2013).

Entrepreneurship in developing countries is usually subsistence entrepreneurship and is practiced to provide for basic needs (Viswanathan & Rosa, 2007). According to Viswanathan & Rosa (2007) subsistent entrepreneurship is attractive as it requires minimal capital and just involves the bulk purchase of products that are then sold through channels such as door-to-door, small kiosks, or hawking or other forms of preparation, transportation, or assembling to acquire income for basic needs, debt repayment, and operation of the enterprise. Since subsistent entrepreneurship requires little capital, the available opportunities are widely-visible and easily imitated, leading to over-competition and duplication of ventures which ultimately saturates the market, leading to minimal profitability (Alvarez & Barney, 2014).

Due to the abundance of self-employment in developing countries and its challenges, it is imperative to understand why entrepreneurs in poor contexts still undertake self-employment knowing very well that it offers minimal economic gain. These contexts are saturated with ventures offering the same products and services which are difficult to differentiate and opportunities that are easily observable. Regrettably, self-employment in

developing context usually exudes undesirable outcomes for its participants, yet it is the most popular form of employment. Nevertheless, it is important to understand how these entrepreneurs perceive entrepreneurship and why they still pursue it. Unfortunately, very little research has been conducted in developing countries to determine the aspirations of entrepreneurs there (Langevang, Namatovu, & Dawa, 2012) and this study aims to throw more light on why entrepreneurs in developing countries pursue entrepreneurship and what guides their choices.

To understand the aspirations of entrepreneurs in subsistent markets, I conducted a qualitative study of Ghanaian entrepreneurs in two major cities in the Ashanti Region; Kumasi and Obuasi. The study aims to answer this research question:

- Why do subsistence entrepreneurs enter into self-employment, and how does this unfold over their careers? What types of obstacles do they face, and what guides their choices?

To answer this, interviews were conducted with twenty entrepreneurs in March 2017. Fifteen hours of audio data was collected transcribed, and translated for analysis. Some of the participants had been previously employed in a wage-employment with a couple of them having previously owned a venture prior to their current enterprise. Other than a few apprentices being trained, all entrepreneurs save one had no employees. Ventures ranged from petty buying and selling, dressmaking, saloon, welding & fabrication, food vending, carpentry, among many others.

The findings and model induced from the data indicate that entrepreneurs in developing context pursue entrepreneurship as an alternative to either education or unemployment, and often times as a result of life-events such as marriage, sickness, child birth, pregnancy, among many others. These entrepreneurs often had not pre-planned entrepreneurship until the point where they encounter ‘life obstacles’ or ‘life-events’ which compels them to take the steps necessary for entrepreneurship. The type of venture to be pursued is influenced by ‘venture-specific influencers’. These influencers include the social capital each

entrepreneur possesses, which provides knowledge, advice, and access to resources for them, and the desired goals from entrepreneurship which could either be the short- and/or long- term. However, upon entering into their chosen enterprise, entrepreneurs work towards accomplishing their objectives for the venture until it is either attained or a change occurs through life-events like marriage, pregnancy, relocation, etc. These changes could lead to a continual cycle of entry, exit, or re-entry.

The findings of this research contribute practically too subsistent entrepreneurship is important for the growth and development of subsistent entrepreneurship. To help improve the outcomes of ventures it is recommended that Senior High Schools are made free to make continuing education affordable. Furthermore, self-help groups should be encouraged among entrepreneurs as they would inadvertently contribute to increased opportunities and reduced competition. Finally, skill-development programs could be introduced in schools and among the unemployed to properly prepare them for the establishment of viable non-replicative ventures.

### **3 LITERATURE REVIEW**

Existing literature provides insights into subsistence entrepreneurship. As this is relevant to my research question, I focus on four distinct parts of subsistence entrepreneurship. These parts address subsistent entrepreneurship, its constraints, influence of social networks, and entrepreneurship as a career respectively in relation to understanding why subsistent entrepreneurs enter self-employment, how this unfold over their careers, the obstacles they face, and what guides their choices.

#### **3.1 SUBSISTENCE ENTREPRENEURSHIP**

Subsistence entrepreneurship is the most common form of entrepreneurship in developing countries. The word subsistence implies communities or individuals struggling to obtain their basic needs. However, the lack of economic and physical capabilities for subsistence constituents, which is prevalent among them, does not imply scarcity in emotional, social, and cognitive capabilities. Subsistence entrepreneurship involves the operation on daily basis small businesses with the purposes of generating income to meet the entrepreneurs' cost of living (e.g. food and shelter) as well as restocking the merchandize of the enterprise to avoid going out of business. These enterprises usually involve the purchase of products in bulk and selling through other outlets such as door-to-door, small stores/kiosks, peddling around or other forms of preparation, assembling, or transportation. Income from these activities are used for sustenance, restocking, and paying off their acquired debts (Viswanathan & Rosa, 2007).

Prahalad & Hammond (2002) disclosed that, in 2002, about 65% of the world's population of 4 billion people live in poverty and are mostly served by informal economies which create inefficiencies that greatly affect the cost of doing business in such economies. Debrah (2007) emphasised that using the informal sector as a major source of employment for the unemployed could only provide majority of these unemployed with subsistence



level of work, even though there is great potential for gainful employment in the informal sector.

Self-employment opportunities which requires small capital often attract numerous people as these opportunities are easily observable and consequently pursuing it yields marginal profits as more entrants imitate and replicate these opportunities until profits are competed away (Alvarez & Barney, 2014). Moreover, Alvarez & Barney (2014) emphasised that self-employment opportunities just focus on replicating the small non-scalable ventures within a community which are already being undertaken by others. Bradley, McMullen, Artz, & Simiyu (2012) also reemphasized that enterprises started by the poor have great similarities in that it usually offered similar products (e.g. canned goods or fruits) or basic services with slight variations in services. In other words, ventures started by the poor, lack diversity. So, to improve conditions among subsistence entrepreneurs, governments and other agencies, both local and international, have channelled efforts and resources into these markets.

Entrepreneurial scholars, however, disagree on how to alleviate poverty through entrepreneurship. Several schools of thought have emerged differing on how to alleviate poverty and thereby giving policy makers several options to consider. Sutter, Bruton, & Chen (2018) review of articles on entrepreneurship and poverty converged on three differing views as to how poverty is brought about and its means of alleviation. Sutter et. al., 2018, determined that the remediation perspective stipulates that poverty results from lack of resources and that making resources available will promote entrepreneurship whereas the reform perspective is of the assumption that social exclusion is the primary cause of poverty and through social change, entrepreneurship could alleviate poverty. However, the most radical of these perspectives is the revolution perspective which assumes that identifying, exploiting, and scaling different models of economic organisation through entrepreneurship would alleviate poverty.

Nonetheless, institutional efforts (Governments, NGO's, international aid agencies) designed to create wealth in poverty contexts often yield undesirable results as it is usually

directed at opportunities that have little wealth potential which inadvertently dissuades the persuasion of opportunities which requires higher levels of property rights, human and financial capital such as those required for discovery and creation opportunities (Alvarez & Barney, 2014). The absence of such requirements to pursue higher profitable ventures have led to the exploitation of more easily accessible employment opportunities; self-employment. Consequently, since these opportunities are usually not opportunity based but rather necessity based, the established ventures usually perform poorer in comparison to those firms started based on opportunity and very so often these necessity-based enterprises do not reduce poverty at all (Bradley et. al., 2012). Alvarez & Barney (2014) encouraged the exploitation of other types of opportunities such as discovery and creation since they require unique insight of the entrepreneur and hence could be scaled to become a major source of economic profit.

- No other choices for employment.

According to Fox & Thomas (2016), self-employment becomes the only available source of employment for majority of people as a result of scarcity of opportunities and formal waged employment in Sub-Saharan Africa. The chances of securing a formal waged employment increases with higher levels of education and unfortunately most of the members of this market lack the qualifications to do so. Regrettably, more women quit education earlier than men and so their choice of employment are fixed earlier for them than for men. Further, the youth in SSA, although have a keen interest in agriculture but given its low earnings, have taken other non-farm enterprises as a means of coping with unemployment. Sadly, instead of the youth spending their adolescent acquiring skills necessary for future employment, they rather spend their efforts into acquiring funds and completing school, and thereafter to seek lucrative wage jobs which are nonexistence and unavailable to them. Also, customary requirements adversely affect females as early marriages coupled with lack of funding for education translate to dropping out early from school thereby leading to decreased chances of acquiring the skills necessary for future employment hence making self-employment the only suitable alternative available for female individuals living in SSA context with minimal education. Inadvertently, majority

of those who quit education earlier in pursuit of employment end up in either family or self-employment.

- Characterized by replication

Replication has its advantages depending in the industry in which it is being undertaken in. Sutter et al., (2014) disclosed that when it comes to large number of complex and interrelated practices within developing economies, replicating an established template results in increases in performance. Unfortunately, the replication being undertaken in developing countries usually involve simple practices and thereby being unnecessary or unbeneficial to subsistence markets.

Alvarez & Barney (2014) highlights the need to pay attention to the type of opportunities being explored in the SSA and stressed that even though three opportunity-types exists in SSA context, over investment in micro-finance has led to a plethora of self-employment. This self-employment, usually based on observable opportunities, has led to similar kinds of enterprises and businesses being pursued. Now, because these self-employment opportunities are easily observable by all, and there is little to no innovation involved entrants often imitate and replicate the observable opportunities until profits are competed away. Therefore, sustaining these businesses as a means of livelihood becomes challenging as profits are minimal or to some extent non-existence.

- Minimal innovation

However, to achieve a more sustainable long-term economic growth, there should be the encouragement of a more suitable and yet sensible approach to the types of opportunities pursued in these poor settings (Alvarez & Barney, 2014). Alvarez & Barney (2014) further suggested a more appropriate alternative to self-employment such as discovery and creation opportunities, should be encouraged as they are more likely to lead to stable long-term economic growth.

Bradley et. al., (2012) asserted that though opportunity-related enterprises perform better than necessity-related enterprises, hence the type of innovation being pursued among the opportunity set type (i.e. discovery or novelty) matters in that it greatly affects the

performance of the enterprise. They further informed that innovation in majority of the businesses established in subsistent marketplaces are quite minimal as it usually requires the basic forms of skillset necessary to undertake them. For businesses to achieve greater performance, there ought to be a barrier to entry and innovation establishes that barrier. Consequently, innovation improves the performance of the firm as it allows it to reap profits which otherwise would not be available if multiple competitors are competing with similar products. Bradley et al., 2012 hence concluded that innovation improves firm performance and subsequently reduces poverty.

Bradley et. al., (2012) described the significance of the type of innovation in relation to the firm performance and concluded that differentiated-related innovation increases the likelihood of the firm performance over novelty-related innovation. The distinction between these two types of innovations according to Bradley ET. al., (2012) are that differentiated innovation is determined by how different a clients' product is from the competition whereas novelty related innovation is determined by how different the clients' products are in relation to the community they are embedded in. However, for business owners to achieve better outcomes, they ought to pursue business innovation, social innovation and/or individual capital innovation. Business, social, and capital innovation all impact business outcomes differently and must be used to the advantage of the entrepreneur. According to Bradley et al., 2012, strong ties among social structure negatively impacted differentiated innovation but supported novelty-related innovation whereas weak business ties negatively affected performance. On capital, Bradley et al., 2012, emphasized that loans for the poor are high-risk debt and that instead of increasing the likelihood of innovation, indebtedness decreased both differentiation-related and novelty-related innovation. Although, scarce resources and the environment demands the poor to be innovative, the degree of lack inhibits them from pursuing innovation that would sustain the business in the long run but rather a business that would generate enough income to exist.

### 3.2 SUBSISTENCE ENTREPRENEURSHIP AND CONSTRAINTS

- Education is hard to get, and what education there is not helpful for entrepreneurship.

In this rapidly changing and interdependent world, knowledge and innovation have become major drivers of economic development. The need for knowledge has brought into the spotlight the role of education. Education is an important tool in eradicating not only income poverty but also capability poverty. However, even though over the past decade, educational level among the world population has reached higher levels, the gap in learning outcomes between the rich and the poor - both within and between countries – is high and often growing. Additionally, an increasing number of graduates often discover that their education has not given them enough preparations towards the world of work (UNESCO, 2014).

UNESCO's 2014 report further stipulated that population dynamics also affect education in several ways. In 2005 – 2010, although there was a decrease in population growth between the ages of 0 – 4 years in Latin America, East, South, and West Asia; Sub-Saharan Africa (SSA) on the other hand had an increase of 2%. As a result, most of these nations with decrease in population growth could shift resources from focus on primary education to focus on post-primary education or quality and equity, whereas SSA countries must expend resources into expanding primary education to cater for the increase in infants' growth. Furthermore, hunger and poverty are also obstacles that impede the successful exploitation of education opportunities. Hence, education strategies, policies, and programs ought to employ pro-poor perspective to eradicate barriers to achieving right to education due to poverty.

UNESCO's report further stressed that with the world becoming more interconnected, the ability of a country to compete globally and to capture both existing and emerging opportunities depends on how their education system impart foundational skills, which allows for further learning, and impart transversal skills, which allows for mobility. Hence

it is imperative that a country's economic growth plans are underpinned by a robust education system which grooms a workforce which is literate and trainable. A mismatch between skills demanded by employers and those supplied by potential employees have become a contributing factor to unemployment, even among the youth.

Fox & Thomas (2016) also concluded in their research in Sub-Saharan Africa (SSA) that the average age of exiting school was two years less than the average age of entering the labor force thereby suggesting that those who quit school spend considerable time either idling or pursuing odd jobs before entering the labor market. Most of the people who sought employment after quitting school and were unsuccessful, did not end up with formal wage employment but rather went into family or self-employment. Only a quarter of them obtained formal wage employment. Furthermore, to enhance ones' chances of securing higher educational levels and employment opportunities, one has stay in school longer. Hence, women quitting education earlier than men in SSA also fixes their career path or options earlier for them than for men (Fox & Thomas, 2016). Honig (1998) also asserted that education that provides vocational training increases income by fifty percent and eighteen percent for recipients in low and high skilled employments respectively.

- Financial constraints

Honig (1998) discovered that capital affect different businesses differently in that in higher technological tier enterprises (those that required routine abstract problem-solving skills, such as auto mechanics, electronic/television repair), the disparity in initial investment has little effect on profits, however with lower tier enterprises (those that used unsophisticated equipment or machine for operation) a percentage increase in capital results in a twenty percent growth in average monthly income. The same effect applies to loans for these businesses such that loans affect lower tier enterprises positively but have little to no impact on higher tier ones. In essence, if the enterprise uses complex processes, capital have little to no effect on its financial performance whereas those that have simple processes are largely affect by the level of capital involved. Chiova, Brinckmann, &

Rosenbusch (2015) also indicated that the effect of micro-credit on the survival of ventures is positive and that it enables entrepreneurs to increase profit and grow their ventures. Ghana government's effort to increase economic inclusiveness for the self-employed through the STEP program faced a major challenge which is funding during training and after graduation. As a result of the amount of funding required, micro-finance support was needed to ensure that the STEP program is able to give its graduates adequate support to start higher income generating employment or else they could end up pursuing low end jobs which generates very little income and other untenable commercial activities (Debrah, 2007).

- lack of capabilities

Capital alone is not a 'silver bullet' for the problem of poverty in developing economies. Similar to developed nations, innovation is necessary for microcredit businesses to achieve firm performance, which contribute to increases in income and standards of living (Bradley et al., 2012). Vermeire & Bruton (2016) illustrated that an entrepreneur's failure to discover opportunities that enhances capabilities could significantly affect the entrepreneur's motivation and could even revert them back into poverty. In SSA contexts, like Ghana, the lack of coherent state policies has contributed to the expansion of the informal sector. Research evidence also indicates that even with government intervention it is difficult, if not, impossible to avoid the informal sector remaining mainly as a source of marginal and survival employment because of the educational backgrounds and other characteristics of participants in the sector and their inability to mobilize capital (Debrah, 2007).

- Growth is challenging

Alvarez & Barney (2014) concluded that under abject poverty there exist three types of opportunities, however, over-investments in microfinance has led to plethora of self-employment opportunities thereby greatly reducing investments in the other types of opportunities. Further, loans for the poor are also high-risk debt and hence instead of increasing the likelihood of innovation, indebtedness decreases both differentiation-related

and novelty-related innovation. Not only is indebtedness an innovation killer, the size of the loan also has a negative relationship with performance (Bradley et. al., 2012). Vermeire & Bruton (2016) assert that although the generation of income is the main motive for the poor for pursuing self-employment, the opportunities available to them in poverty setting allow for replication rather than high revenue generating opportunities. Moreover, even though it is quite beneficial for the poor to create opportunities that could greatly increase their income, such endeavors are quite risky as the resources available to them are often pooled and their use affect other domains of their life, especially their household. Consequently, undertaking innovation with resources that others depend on becomes extremely risky, something the entrepreneurs are unwilling to undertake. Hence, replication, indebtedness, inability to innovation, coupled with scarcity of resources available to the poor present entrepreneurs in these context great challenges in growing theirs ventures.

### **3.3 SUBSISTENCE ENTREPRENEURSHIP AND SOCIAL NETWORKS**

Merriam-Webster dictionary defines social network as “a network of individuals (such as friends, coworkers, and acquaintances) connected by interpersonal relationships. Social network defines the structure, size, and composition of social relationships (Adler & Kwon, 2002; Borgatti & Foster, 2003 cited in Lux, Lamont, Ellis, Ferris, & Muchira (2016). However, social capital is the sum value of a focal actor’s group or individual ties or networks of relationships which may facilitate and/or constrain the actions or outcomes of the focal actor (Khayesi, George, & Antonakis, 2014)

- Social networks are a substitute for many things.

According to Samrau & Hopp (2015), social capital is the resources available to individuals by their social network structures and these resources could be distinguished as either informational or financial. Entrepreneurs in nascent stages of their ventures require resources to survive, and both their human and financial capital have a positive effect on the start-up progress. Bradley et al., (2012) also affirmed the significance of social capital



in business development by asserting that networks could be used to provide assistance in business development. Moreover, information from network contacts is vital to entrepreneurs especially when they lack the expertise and knowledge for establishing and developing a new enterprise. According to the compensatory hypothesis, there is a negative relationship between human and social capital in that entrepreneurs with shortfalls in human capital make up for these deficiency by utilizing the resources from their network (social capital) whereas as those entrepreneurs who are more capially endowed see such resources from their networks as redundant or unnecessary.

- Social networks provide

- Money

Access to social networks offer several advantages. Among such advantages are the provision of resources, especially financial resources. Financial resources are crucial in poverty context as income is one of the primary motivations for entering into self-employment (Vermeire & Bruton, 2016). In addition, Samrau & Hopp (2015) determined that the start-up progress and success of nascent ventures are positively influenced by their financial social capital (i.e., the network ties that provide financial resources). Likewise, the use of social networks leads to the amplification of financial capital as well as the effective accumulation and utilization of resources like credit especially when such networks were provided by family or community-based (Honig, 1998). Social capital therefore becomes crucial in the acquisition of scarce resources in environments where credit is limited.

- Knowledge

Not only do entrepreneurs acquire financial resources from their social ties, they also acquire knowledge which is paramount to the survival of their ventures. Using entrepreneurs in BOP market to study how knowledge is acquired and passed among social ties, Sutter, Kistruck, & Morris (2014) discovered that even though interactions between entrepreneurs and technical experts who have an understanding of the underlying reason behind a particular practice among the entrepreneurs could result in improved performance

whereas interactions between entrepreneurs and their peers who lack such understanding could result in diverse outcomes. Moreover, even though interactions with technical experts markedly improve performance, when entrepreneurs make adaptations to a template, it is their interaction with their social peers that will enable them to determine whether such adaptations promote or impede performance. Sutter et al., (2014) further emphasised that

*“A number of knowledge recipients within the same peer network who adopt a particular adaptation simultaneously may also confer a certain amount of unjustified legitimacy to the practice and encourage further emulation”.*

This practice of interacting with social peers heavily promote the passing down of knowledge to other members of the social network.

- Social networks also constrain the opportunities an entrepreneur can pursue.

In poverty settings, unlike in the developed world, informal institutions play a vital role in shaping the occupational identity of entrepreneurs. Slade-Shantz, Kistruck, & Zietsma (2018) studying poverty context in Ghana discovered that in rural Ghana, collectivism and fatalism, two informal institutional forces, shape the occupational identity of entrepreneurs as one of obligation and constraints rather than as one of opportunity. Slade-Shantz et al., (2018) identified collectivism as social constraints faced by entrepreneurs as a result of the communities they are embedded in, and fatalism as the social constraints related to an entrepreneur's behaviour or family. In western societies, entrepreneurs are generally known to be innovative, risk-takers, autonomous, among many others whereas in these poverty settings entrepreneurs tend to be more like mentors, reliable intermediaries, and a safety-net for the community. Moreover, entrepreneurs in these settings pursue opportunities that are largely assumed to be more of inherited and appointed usually by either religious leaders and other family members rather than by individual choice or market forces, thereby leading to replication rather than innovation or growth-oriented enterprises. Therefore, entrepreneurs who can succeed in these settings are highly affected by religious/spiritual forces as financial success is often met by jealousy, stigmatization, and competition, not only from other entrepreneurs but also from the community.

- Social Networks also provide familial constraints

Entrepreneurs do not only experience the constraints of social networks via communities but also through families (Khavul, Bruton, & Wood, 2009; Grimm et al., 2013). Familial constraints are experienced especially among entrepreneurs in subsistence communities as a result of the significance of their position in the family. Men and women experience different familial constraints. Khavul et al., (2009) discovered that even though both men and women desire to grow their ventures, the primary motivation for men is to have an entrepreneurial career whereas that for women is to provide for their family. Consequently, as a result of strong family ties, women are restricted to some degree by the type of enterprise that they can initiate thereby making it quite risky for them to experiment more or take risk that would undermine their ability to provide the necessary support for their families. Grimm, Gubert, Koriko, Lay, & Nordman (2013) affirmed the conclusions of Khavul et al., (2009) in that they also asserted that kinship ties affect women than they do men indicating that women suffer the impact of these ties either purely for altruistic reasons or due to obligations imposed on them. Grimm et al., (2013) also discovered that, for women, the looser their kinship ties are, the more capital they have available to them. The influence of local ties in poverty context is intricate. Local ties, on one hand, aid in overcoming imperfections in the labor market, but on the other hand, leads to adverse incentive effect which get diluted the further the distance an entrepreneur is from these ties. Thus the greater the distance from home, the easier to keep savings from unwarranted demands (Grimm, Gubert, Koriko, Lay, & Nordman, 2013).

In poverty context, entrepreneurship with all its challenges and constraints is still widely accepted and practiced as a major form of employment. Taking a career perspective on entrepreneurship highlights the path entrepreneurs take as they undergo the entrepreneurial process.

### **3.4 BUILDING TOWARDS A CAREERS PERSPECTIVE**

There is a plethora of research on entrepreneurship covering all geographic regions. Entrepreneurial studies have garnered a lot of interest especially in the developing world particularly in the role it plays in eradicating poverty as well as being a source of employment for the unemployed. Unsurprisingly, most research examines entrepreneurship cross-sectional, captures a point in time and perceives it as something that is an end in itself rather than a journey that evolves.

Burton, Sørensen, & Dobrev (2016) studied entrepreneurship from a career perspective and opined that entrepreneurship scholars, when they study entrepreneurship as an absorbing state tend to look at what comes before entrepreneurship and fail to see possible subsequent transitions that follows entrepreneurship, and so fail to see the possibility of entrepreneurs going back to wage employment or even becoming unemployed. Burton et al., (2016) disclosed that perceiving entrepreneurship as a career choice allows for it to be compared to other types of employment choices which could be analyzed in terms of wages, skills, and mobility as well as the human capital accumulated before, during, and after the entrepreneurial venture. Burton et al., (2016) further disclosed that using a careers perspective allows for the observation of things that change over time such as organisational context and family. Additionally, it allows for the opportunity to consider life course, examine the differences between individuals as well as how individual and organizational-level outcomes are interconnected.

Debrah (2007) disclosed in his research on the Skills Training and Employment Program (STEP) organised by the government of Ghana that majority of the youth in the program intend to seek wage employment after the completion of their training because some had previously failed in self-employment. Vermeire & Bruton (2016) stressed that entrepreneurs need to walk different paths over time to increase their odds of acquiring higher income in poverty settings. Entrepreneurship in itself is a life choice that may interact with other life choices such as marriage, and fertility. It is also a choice that may

be considered as personal and other situational events changes or shifts. Even though very small percentage of entrepreneurs are serial entrepreneurs, which is they follow one venture with another, majority of entrepreneurs have different kinds of career transitions.

Debrah (2007) using a study in Ghana opined that the economic conditions available in SSA makes it extremely challenging for governments within the region to generate enough economic growth, hence the informal sector becomes attractive as a source of employment for the unemployed. Fox & Thomas (2016) also recognised that the economic conditions in the SSA makes transition to work and stable income extremely difficult, even for the youth who possess high aspirations as the availability of opportunity is scarce. Also, Bradley et. al., 2012 stated that even though there are different motivations for entering to entrepreneurship, study of both necessity and opportunity-based entrepreneurship indicates that some certain individuals enter to entrepreneurship solely to earn income to survive whereas others have the purpose of growing a business.

To help entrepreneurs in SSA markets, particularly in Ghana perform better, this research question has been formulated:

- Why do subsistence entrepreneurs enter into self-employment, and how does this unfold over their careers? What types of obstacles do they face, and what guides their choices?

## **4 METHODS**

Methodology entails how knowledge on an issue will be produced and methods comprises the exact ways data will be collected and analyzed (Eriksson & Kovalainen, 2008).

Methodology could be defined broadly; qualitative and quantitative, or narrowly; e.g. case study, ethnography (Silverman 2005 ref. in Eriksson & Kovalainen, 2008, p. 16). For this study, I will be using both the broadly and narrowly defined methodologies of qualitative and ethnography respectively. The methodology section of this paper covers the context, sample, data and analyses respectively.

### **4.1 CONTEXT**

The selection of Ghana as the study context was appropriate for this research question for solely three main reasons. Firstly, economically, Ghana is one of the fastest growing economies in the sub-Saharan Africa (SSA) region with many prospects for future growth, making Ghana quite an appropriate choice for the study of entrepreneurship in SSA.

Moreover, with economic growth of about 6 per cent per annum, Ghana has become an attractive destination for Foreign Direct Investments (FDIs) for exploration, exploitation, and production of certain economic products like petroleum, rubber, chemicals, and other economically viable products. Furthermore, Ghana has, at the least, been one of the forerunners in successfully initiating and implementing the Millennium Challenge Development Goals introduced for developing countries by the United Nations Economic Development Agency.

Secondly, Ghana has been politically stable since she gained national independence in 1957. Although, there has been several coups d'état, democracy was restored in 1992 and had been practiced to date. This relative political stability has allowed for the introduction of several economic and political reforms channelled at developing Human, Financial, and

Capital resources in the country. As such reformation began, the necessary regulatory laws were enacted to support their implementation and supervision.

Among the sub-Saharan African countries, which is often referred to by researchers as bottom of the pyramid or for a much better term, developing economies, Ghana has become attractive for both foreign and domestic (African) investors due to not only its political and/or economic stability but also due to its location and abundance of natural minerals and resources. Further, Ghana is a member of the Economic Community of West African States (ECOWAS), which has allowed the country to have open border policies with sixteen other West African countries including Nigeria, Cote d'Ivoire, Senegal, and other economic power houses of Africa. This community is emulated after the EU and just like the EU, tries to have open borders as well as create a single large economy whereby all the other members of the community can participate and utilize to grow their various nations. When the EU introduced its single currency, the Euro, ECOWAS also had plans underway to have a single currency, the ECO, but that plan is yet to materialise and does not seem to be going to be a reality any time soon.

Although Ghana has gone a long way in making itself attractive for both investments and people, Ghana is still a developing country and has all the hallmarks of such countries which include insufficient regulatory and enforcement policies, lack of financial resources, human capital, property rights, infrastructure, among many others. Moreover, Ghana has the typical economic divisions known among such countries, namely, the affluent, the middle income-earners, the low income-earners, and the poor. Unfortunately, majority of the citizens are in the last two segments of the income classification groups, that is, the low-income earners and the poor thereby prompting the government to encourage both private and public sector developments.

Majority of the employment opportunities available in the country are mostly agriculture and self-employment. The most preferred form of employment is the formal employment which is usually available through either private or public organisations. Except for a

minority of Multi-National Corporations (MNC's) which are operated by foreign organisations, most people prefer employment at government institutions where employment are usually more secured than in the private sector. Even though the government sector employs large number of people, it is a very small percentage of the sum employment available in the country. Agriculture, mining, and self-employment make the greater chunk of employment in the country.

Kumasi, the capital of the Ashanti Region, is the second largest city in Ghana and it is situated in the middle section of the country. Kumasi is somewhat like a gateway between the North and South of Ghana as all major roads from the south merge at Kumasi and then from there diverge to the dry poorer Northern parts of the country (Baeyens, 2012).

Kumasi has become a major hub for all the large cities located around the northern parts of the country as well as also providing a major route for all the cities located in the southern part of the country, including Accra, which is the capital city of Ghana as well as the largest city. One of the reasons for the selection of Kumasi as the location of research is the diversity it provides as one of the most cosmopolitan cities. People from diverse tribes, accomplishment, educational backgrounds, among others migrate to this city in pursuit of opportunities that may not be available to them in their various places of immigration. In fact, Kumasi is an ideal location for the study of entrepreneurship or self-employment to be more precise. About 70% of employment in Kumasi consist of petty trading and informal sector businesses. Although it is the second largest city in Ghana with a population of 2 million people, Kumasi is the fastest growing city in Ghana as well as the commercial capital of Ghana (Baeyens, 2012).

The second place of study is Obuasi, one of the largest mining town in Ghana. Obuasi was chosen because of its contribution to economic development in Ghana. Mining plays a major role in Ghana's foreign exchange earnings and fortunately Obuasi is endowed with significant quantities of gold deposits. To that effect, one of the largest gold mining firms in Ghana, ANGLOGOLD, formerly Asante Goldfields, operates a mine in Obuasi. The Asante gold mine was the largest in the country and at the end of the 20<sup>th</sup> century, was the



10<sup>th</sup> largest gold mine in the world. Moreover, aside mining, commerce and cocoa production are also major economic activities in Obuasi which attract migrant labour from the Northern part and other African countries to the town (Encyclopaedia Britannica).

Together with Kumasi, these two cities attract numerous numbers of people who seek better lives. This study investigates the entrepreneurs who reside and work in these cities as the poor in poverty context is under represented entrepreneurial sample in entrepreneurship studies. Studies on entrepreneurship usually are often carried out in developed world and often the situational context and institutional factors differ enormously from those in developing countries. Furthermore, the impact of entrepreneurship in developed countries differ from those in developing countries in that in developed countries there exist safety net for entrepreneurs to fall back on whereas in developing countries entrepreneurs usually bear the grunt and risk of undertaking the venture.

To further understand the impact of entrepreneurship from the perspective of the poor, the selection of poverty context within a developing country is an appropriate choice that is why these two cities were chosen for this study. Since the research question involves understanding why subsistent entrepreneurs enter into self-employment and how that unfolds over their careers, the obstacles they face, and what guides their choices, choosing Ghana, Kumasi and Obuasi, is appropriate as Ghana has a large number of self-employed who are engaged in subsistent entrepreneurship.

## **4.2 SAMPLE**

To answer the research question, twenty entrepreneurs in Ghana were chosen to be interviewed to garner more insight into the entrepreneurial processes in poverty context. For the selection of participants, three parameters were set. First, the entrepreneurs must reside and work in either Kumasi or Obuasi. Secondly, they must be the ones who actually started the enterprise they own rather than by acquisition through inheritance or being

gifted with the enterprise, thus, having done little in terms of acquiring the initial start-up resources. When these criteria were met, then the participant is selected and interviewed.

Approaching the participants to ask if they would be willing to participate in this research was quite a challenging task as I had had no prior contact with them. I approached them at their stores and inquired if they would be willing to participate in a school research project. Some were quite excited and honoured over the invitation, even though it had the potential of intruding on their privacy, others too objected to participating as they were not willing to divulge such personal information to a stranger. To assure and stimulate their interest in this research, I pledge them total confidentiality of the information obtained and would by no means use it beyond its intended use.

Most of those that voluntarily chose to participate were young and vibrant, and literally in the primes of their lives. Even though I could not label these entrepreneurs as seasoned entrepreneurs, some have been self-employed for several years, with a couple having previously started other ventures prior to their current ones. On educational level, except one entrepreneur who had no education, majority of these entrepreneurs have completed basic education and had desired to continue but were unable to do so due to other reasons. There was equal representation of both sexes in this study. All but one of the women sampled were either married, having children or in co-habitation relationships and these factors weigh in on their decisions. The men also had similar statuses and similarly have other factors that influenced their choices.

The participants operated ventures which could be categorised into skilled or unskilled. Skilled ventures were those that required some form of formal training or apprenticeship before it could be undertaken and these included such occupations as carpentry, welding, hairdressing, seamstress (dressmaker) and shoe producer. These skilled ventures usually required about two years of apprenticeship to acquire the skills necessary to operate those ventures. The unskilled ventures, on the other hand, quite often required little to no skills to operate and include such occupations as buying and selling (petty trading), coconut

selling, food vending, tile cement production, and provision store operation. The selection of these forms of ventures were an attempt to look at entrepreneurship from either sides, that is, those who are bound or have sunk commitment to a particular venture due to their years of training and those who no such limitations. The ventures selected are quite common in both Kumasi and Obuasi, as well as across Ghana based on such reasons as limited entry barriers, little start-up cost, job security, etc. Overall, whether training is required or not, the ventures being operated by these entrepreneurs are quite common and consistent with subsistent market entrepreneurship. A summary of the participants' basic information is provided in Appendix B.

#### **4.3 DATA AND ANALYSIS**

Interviews are conversations with a purpose as well as with the goal of understanding the research topic from an interviewees' perspective (Cassell & Symon, 1994; Richie & Lewis, 2003). They are also a conversation consisting of a series of questions and answers (Eriksson & Kovalainen, 2008). Interviews, as a qualitative method, is the most frequently used method in organizational research (Cassell & Symon, 1994). There are three types of qualitative interviews: structured, semi-structured and unstructured (Eriksson & Kovalainen, 2008; Cassell & Symon, 1994). Although each interview type has obvious benefits as well as limitations, I used semi-structured interviews during the research.

After the selection of the participants, they were interviewed face-to-face and audio recorded to ensure exactness in translation and transcription. The interviews were conducted in Twi, which is the most spoken dialect in Ghana, and that of the Ashanti tribe where this study was undertaken. The interviews were one-time per participant and ranged in duration from about thirty minutes to one hour, depending on how much the participants expounded their answers and the follow-up questions to that. The questionnaire was quite simple as it included a set of pre-planned questions asked in an open-ended format to allow the participants to freely express themselves. From the onset, the purpose was to establish

certain rapport with the participants and then gradually reel them into the depth of their entrepreneurial lives.

The interviews were conducted at the business premises of the participants except for one participant who preferred to be interviewed at his place of residence. This entrepreneur was included for the fact that he has had extensive accumulated industry experience and was also in partnership with a relative running a much bigger business than most of the participants interviewed. Six broad primary questions covering the main themes of the interview were developed. The questions were open-ended and a follow-up question asked in relation to the answer provided to that main question. As the interview progressed, other issues that are brought up and not initially considered in the questionnaire were noted and the participant asked to elaborate further on those matters that were of relevance to the study. This allowed for the inclusion of secondary questions that enriched the interviewing process. Semi-structured or guided interviews uses a set of preplanned outline of themes or topics but allows the researcher the flexibility to alter the questions as well as include additional ones (Eriksson & Kovalainen, 2008; Cassell & Symon, 1994).

Prior to the interview, I spent some time on their business premises observing how they conducted their business. On several occasions, I had to pause and wait during the course of the interview for them to attend to a client, and continue when there is no business to attend to. These types of hindrances made the actual interviews take longer than expected, although I always made it a point to neither interview nor record beyond one hour. On average, most of the recordings for the interviews were somehow a bit over thirty minutes. Murchison (2010) indicated that a normal one-time interview could produce multiple pages of data after transcription. And so as not to find myself in a data management limbo, as I had to translate and transcribe at the same time, I established the parameters of the interview and recording times to range from thirty minutes to one hour.

Twenty interviews were conducted over a one-month period, on average one interview per day. General questions were asked to get a glimpse of the entrepreneur's background to get an overview of their life. The first question I asked was the participants to tell me about

themselves. Which gave them the opportunity to share with me any information they feel confident to share. Then I proceeded to ask them how they got involved in their current ventures. By this question, they retraced their ‘work-life’ and sometimes reminiscence the past times. Further, I asked how they got the resources to start the venture, as well as their visions for starting the venture. These allowed me to understand the commitment of such entrepreneurs to their ventures and then proceeded to ask if they have successfully achieved their visions for their ventures, and if not, why they are still pursuing the venture. Detailed structure of the interview protocol is provided in appendix A.

After the interviews, the data was transcribed and analysed. For the analyses, each transcript was carefully read sentence by sentence and coded based on the meaning they conveyed. Each code was then grouped under similar themes and classified as such. The themes were then grouped together into similar sub-categories. And subsequently, similar sub-categories were brought under the same category. These categories were then used to depict a story that portrayed an accurate picture of the research and thus became the findings. Using this approach made it possible to effectively induce findings from the data which depict.

## 5 FINDINGS

This chapter presents the findings to the research question:

- *Why do subsistence entrepreneurs enter into self-employment, and how does this unfold over their careers? What types of obstacles do they face, and what guides their choices?*

To achieve a comprehensive understanding of the outcome of the study, this chapter has been divided into three major segments. The first segment details how early life challenges propelled informants into entrepreneurship. These challenges often present the prospective entrepreneur the opportunity to assess their current life and decide the next available course of action to be taken for a more desirable outcome for their lives. Often these participants are at the cross-roads of their lives and are caught in the cross-hairs of the battle between innate desires and external realities. The second segment also takes a closer look at the life events which not only led the participants into entrepreneurship but also led them out of a specific venture into another. These life events, just like the early life challenges, compels these prospective entrepreneurs or entrepreneurs already operating their ventures to take concrete actions at that stage of their lives. Finally, the third segment examines how influencers, namely the desired goal of the entrepreneur and the social capital available to them, affect the type of venture they start. These two ‘influencers’ influence the entrepreneur in which type of venture to pursue.

After laying out these three segments, I then present an overall model explaining how entrepreneurs are forced into entrepreneurship, how they choose their ventures, and how life events lead them to have to exit certain ventures, only to again engage in entrepreneurship through another venture.

### 5.1 LIFE OBSTACLES

The informants, generally, shared a common trait for deciding at what stage in their lives they would enter self-employment. Commonly, this major decision comes right after they

have completed basic school, known in Ghana as Junior High School (JHS/JSS), and there exist no further opportunity for them to advance their education or the point in life where they have to decide the way forward for their lives with regards to what they ought to do for livelihood, hence self-employment becomes a viable alternative.

### **5.1.1 Self-employment as an alternative to education**

Majority of these entrepreneurs had the desire to further their education to some point beyond what they had currently accomplished. As Isaac, a carpenter, explained *“I would have loved to pursue education but for lack of funding, I couldn’t”*. He further reiterated *“When I completed JSS, I knew there was no way I could continue and so I decided to be an apprentice to learn a trade”*. Pastor Isaac, a welder, indicated what drew him into pursuing self-employment as he desired an opportunity to further his education. He explains thus

*It was quite difficult; I was quite intelligent but my dad passed away when I completed school in 1992. There was no help so I decided to do shoe shine to further my education in 1994. I couldn’t. I used to help a certain man.... and I asked that he put me in a trade.*

Aishetu, a food vendor, somewhat also had a similar experience. She discussed the circumstances which led her to pursue self-employment. *“My parent divorced when I and my siblings were kids, and unfortunately only the one after me was able to pursue education up to JSS 3. I liked to trade and so I sold coconut to take care of my little sister who was in JSS 3”*. Likewise, Nafisa, a hairdresser but currently running a small food stall, said *“But I decided since I don’t have much education, I need to learn a trade and so returned to Obuasi to learn hairdressing”*.

These cases are not unique in the sense that most of the participants desired the opportunity to pursue further education, to a satisfactory level beyond the Junior High School. Some of the participants, even though they considered themselves not to be the smartest persons, yet desired to pursue education as there is often a negative societal perception of those who have learned a trade. Alfred, a partner in a furniture venture, says *“Educated people look down on people who have learned a trade, and this has greatly impeded a lot of people*

*from going to learn a trade.* Eric, a welder, discussed how he desired to further his education but for lack of intellect had to pursue welding. He stated thus *“I wanted to further my education but wasn’t intelligent enough to pursue higher education. My parents had the resources to further my education... they decided to let me learn a trade and start my own business afterwards”*. Mama Tiwaah, a seamstress, also indicated why having a good qualification is vital for successful career in the civil service or working for the government as it is usually termed in Ghana. She said

*No, even if I had had the opportunity in the civil service, I wouldn’t have taken it. I would rather have gone to apprentice as a dressmaker. Because in the civil service, there comes a time when those with no education or certificates are laid off. But with dressmaking, no education is required to do it.*

However, not all participants had to make that decision right after completion of basic school. Some did not even have the opportunity to go to school and consequentially, they also expounded why they decided to pursue self-employment as a source of livelihood.

### ***5.1.2 Self-employment as an alternative to unemployment***

The emphasis of many participants laid on how to secure their livelihood at that particular stage of their lives where they really had nothing to do or start planning for their future. In that respect, self-employment was the only available choice as the other alternative would be to be employed by someone, which is regarded low paying and unsecured. Maame Akosua, a store operator, stated that *‘Since I didn’t go to school, and didn’t apprentice for a trade, I had to do something’*. She, like the other participant who did not have the opportunity to pursue any education, had to find something of economic value to pursue so as to be able to cater for herself and future dependents. Maame Tiwaah, a seamstress, had this to say *“I didn’t go to school and so decided to learn a profession”*. Just like the uneducated, some of the participants who had the opportunity to attain some level of education also had to look to self-employment to satisfy their unemployment. Eric & Gyasi, welders, who after apprenticeship were unemployed explained thus *“My friend and I apprenticed together and after we finished, we were jobless and at home, and so kept calling him to ask if he will be willing to partner with me to set up our own workshop”*.



Education or lack of it thereof converges participants to a point in their lives where they ought to seek a source of livelihood and this in turn puts them on a path to enter entrepreneurship. Regardless, there are other pertinent situations that compelled these individuals to consider self-employment as a viable alternative.

## **5.2 LIFE EVENTS**

In addition to the other events which leads to entrepreneurship, namely lack of education and unemployment, other life events influence the decision to enter into entrepreneurship. Prior to the venture start-up, all the informants had very clear goals for entering into self-employment and although these goals may have changed over the years, the informants could still vividly recall the events leading to their entering into and/or out of self-employment. Among the participants who were confronted with such unanticipated events was Abass, a coconut seller, who illustrated how a failed enterprise necessitated him out of working in a family business to self-employment. He recalled: *“I used to work for my brother at his internet Café but it collapsed and that’s when I decided to find something to do to further my education”*. Abass desired furthering his education and had the potential means of fulfilling that through working waged employment. Sadly, due to poor health, he had to quit and come and work for his brother in return for either wages or support for his education. Unfortunately, the collapse of his brother’s business meant he had to accomplish that goal through some alternative means.

Abass, just like some of the other informants faced certain obstacles in their lives that constrained their employment choices. Typically, a greater number of the participants desired to attain something which was quite different from what they were presently doing, regardless of whether what their current ventures were successful or not. These impediments varied widely among them, ranging from one or two obstacles to multiple obstacles. In this scenario, Abass desired a well-paying job, something he currently cannot accomplish, and unfortunately has been plagued by unexpected events which have forced him into self-employment at an unexpected time. He dropped out of school due to financial difficulties, had to quit his wage employment due to recurring sickness, and had to finally

start his own enterprise due to the collapse of his relatives' business. He recounted his story

*"I used to work in Accra myself but stopped because of some recurring illness; I used to work for my brother at his internet café but it collapsed and that's when I decided to find something to do to further my education".*

Although Abass desired better employment, unexpected events kept obstructing him from achieving a fulfilling career aside from entrepreneurship.

Others also had similar experiences, with these obstacles limiting their career options.

Maame Akosua, a trader, also spoke of how marriage and relocation compelled her into self-employment. She explained *"When I got married, my husband wasn't working and we had just moved to this place so I decided to start this business to support the family"*.

Maame Akosua, was not the only person to be compelled into self-employment as a result of marriage and relocation. Paulina Boakye, a food vendor, also talked about how these events shaped her type of venture.

She described

*"When I left school, my brother took me to learn hairdressing. I apprenticed for four years and I stopped. Then I came here and met my husband and started selling kenkey but the kenkey couldn't help so I started this one".*

Maame Akosua, further described the other various challenges which impeded her from being able to achieve her dreams of sewing dresses.

She voiced out

*"I wanted to be a seamstress (dress maker). But I didn't have anyone who could support me in that regard. And so I followed some friends and joined a sewing school. Unfortunately, we had to rent those sewing machines and latest by 7:00 a.m., it will be out of stock. I leave my village around 5:30 a.m. to walk to the city and I get there around 8:00 a.m. For six months, I had access to a sewing machine for only 2 days. So I had to stop and decided to relocate to the city to find something to do. That's when I met my husband". She further described "When I got married, my husband wasn't working and we had just moved to this place so I decided to start this business to support the family".*

She had to forgo her desire to be a seamstress due to the unavailability of resources and also marrying a man who at the time of their marriage was unemployed.

Paulina desired to be a hairdresser, and had to forgo that desire during her apprenticeship time. Upon further inquiry she described the event that made her quit her apprenticeship. She elaborated thus *“I had to stop because my brother who was supporting me had an accident at work and lost his arm and so there was no support for me”*. These two events were not the only catalyst for change in employment for her. She described again how child birth and pregnancy on two other different occasions made her change jobs. She detailed as follows

*I was unemployed and someone told me that's there's money in it and that's when I started selling iced kenkey and bread. The kenkey selling was good but because I used to carry it and roam the city, I couldn't do it anymore when I delivered my first child...I started frying plantain and cocoyam... Then after the plantain selling, I started frying fish. I became pregnant again and I was advised to refrain from the hot fires and that's how I stopped that one too.*

Madam Lucy Baah, seamstress, discussed how relocating to live with another relative also brought her to that stage. She commented thus *“After my JSS education, I went and lived with my uncle and he said since I am not furthering my education, I have to have some tradable skills... and he took me to learn how to sew clothes”*. Mama Tiwaah, seamstress, also talked about how having a child forced her to move away from her family to start her own venture.

She illustrated thus *“I couldn't go back to live with my parents and so had to move to Kumasi, Ashanti Region, to rent a room and start my life. I had a child by then and have been able to support myself and the child for almost 12 years now”*. Aishetu, food vendor, also discussed the event leading to her pursuing her first venture. She elaborated *“My parent divorced when I and my siblings were kids, and unfortunately only the one after me was able to pursue education up to JSS 3. I liked to trade and so I sold coconut to take care of my little sister who was in JSS 3”*.

Although most of the participants entered into self-employment as an alternative to education and unemployment, the stage at which they decided to take concrete action is triggered by an external stimulus. At this stage, the participants are either introduced to entrepreneurship or forced to exit one particular kind of venture, i.e., either entering self-

employment or changing the type of venture being pursued. Sister, a hairdresser, used to be a trader selling clothes which she had to travel to Accra, Ghana's capital, to purchase for sale in Obuasi. She elaborated the events that led to her quitting that venture and entering another. She mentioned

*I used to sell men's jeans, shoes, necklaces etc. but my father wasn't happy with that work because that was the same work that took the life of my mother. She also used to travel to buy these things and come and sell and on one of those such journeys, she got involved in an accident and died. So anytime I travel and haven't returned, he becomes so worried that I had to stop*

She further indicated how she transitioned from selling clothes to hairdressing:

*I used to sell clothes and anytime I visited a hairdresser friend of mine, she would ask me to do pedicure and manicure for her as she doesn't know how to do those things, and I knew. As I kept helping her in her saloon, I gradually got to know how to do the hair too. It took me about one year to know and when she was finally travelling, she asked that I take over her saloon. And she gave me the saloon, which was opposite where this saloon is.*

The events that usually constrained these participants into self-employment or a particular type of self-employment are often externally motivated. In other words, they are usually situations which affect the informants externally and not by some internalization processes. One such example is Maxwell, a partner in a furniture business, who discussed how he and his partner decided to pursue this venture type as a result of an opportunity that availed itself. He expressed “*I completed form 4, and my senior brother is the one who was able to go further in his education. He went to Senior High School and studied technical education and that was what interested us in this work. He studied construction ... so when he travelled overseas, we started making plans to look for machines to set up a furniture business*”. Maxwell and his elder brother had had interest in the furniture business but only decided to take concrete steps into establishing one when his brother travelled overseas. This to them is the opportunity to get access to the resources needed to facilitate the start-up process.

### 5.3 SPECIFIC VENTURE INFLUENCERS

The specific type of venture to undertake is often influenced by these two things, namely the desired goal of the entrepreneur or the social capital available to them. These influencers evolve over time and shape the career trajectory of the entrepreneur.

#### 5.3.1 *Desired goals from entrepreneurship*

The participants all entered into self-employment with various reasons as well as varying degrees of urgency. As earlier indicated in the aforementioned paragraphs, majority of the informants have entered into self-employment by choice or not. However, these are not the only similarities that connects these informants. The shared expectations for entering into self-employment also transverse among several informants. Regardless of their type of self-employment, most of these informants seem to have specific expectations toward an expected end for their various ventures, even if they may have explained them quite differently. These similarities usually center on the core reason why they entered into self-employment. Based on their motives for venturing into self-employment, two distinctive groups are discovered, namely, those that entered to cater for an immediate specific or concrete goal and those that had a more generalized goal that encompassed present and/or future needs.

##### 5.3.1.1 *To attain a specific need*

The participants who disclosed specific goals were relatively, far fewer, compared to those who gave general unspecified goals. Abass was one of the few who pinpointed the exact reason why he ventured into self-employment. He, alongside some other respondents, are pursuing their current ventures to achieve a specific objective. Abass stated that he required a specified sum of money to further his education and that is why he is pursuing his current venture. He iterated “*I used to work for my brother at his internet Café but it collapsed and that’s when I decided to find something to do to further my education*” and

when asked how much he required to be able to pursue further education, he responded *“About 2,000 Ghana cedis (400€) and my family says they will support me with the rest”*. Ben Zion also a coconut seller had specific objectives in pursuing his current employment. However, unlike Abass, Ben had multiple goals that he hopes to achieve through his enterprise. Zion disclosed his objectives thus *“My goals were to get shelter, acquire a driving license and get some money so that I can lay better foundation for my children in the future”*. Likewise, Aishetu, now a food vendor, indicated that her goal for entering into self-employment concerns someone other than herself. She stated thus *“My parent divorced when I and my siblings were kids, and unfortunately only the one after me was able to pursue education up to JSS 3. I liked to trade and so I sold coconut to take care of my little sister who was in JSS 3”*. These participants all had specific immediate goals which ought to be met presently or immediate future and hence require ventures that are quick to start or require little or no training. Others with similar objectives also shared their motivation for venturing into self-employment and the plans for the future. Nafisa, now a food vendor, but formerly trained as a hairdresser and used to operate her own saloon, also indicated her sole objective for undertaking her current enterprise. She elaborated *“I used to be a hairdresser and had my own saloon. Someone actually opened the saloon for me and we had an issue and he collected his container (shop). So I decided to do this work to get money to buy my own container”*. Nafisa, like all the other participants who had a specific objective for entering into self-employment, had stated objectives that will enable them or someone else, in the case of Aishetu, to be in a better position to accomplish future success. With nothing really tying these entrepreneurs to their ventures, exit from entrepreneurship is indeed a plausible alternative when the stated objectives are accomplished.

#### 5.3.1.2 To attain a general need

Some of the informants also had general objectives for setting up their enterprises. Unlike some of the participants who had specific, well defined objectives, these set of informants have an overarching goal which could be regarded as comprising providing for themselves

and as means of livelihood to support family. This group of participants often are at a stage in their lives where they ought to decide what they are going to pursue as a source of livelihood for their lives. Mostly, their aim of entering into self-employment is to have a source of support for themselves and family, presently or in the future. Margaret Aya, a hairdresser, indicated her motives for learning her trade after it became apparent that her parents were not in a financial position to support her any further in her education. She said *“My goal was to have my own trade to be able to support myself, future husband and children”*. She further indicated why she think it necessary to have her own enterprise; *“Every person has to go above a certain level in life. So, since I have become a hairdresser, I will not allow my children to become hairdressers. If they will, then they must be able to do it on a much larger scale than my own”*. Margaret Aya intends to use her venture as a means of providing for her children, the same things that her parents were unable to provide for her as a result of their limited financial resources.

### **5.3.2 Influence of social ties**

The decision to enter self-employment usually come from either the participant themselves, from relatives, or from others, usually people to whom they have some personal association with. These social contacts impact the participants in three main ways. Firstly, they provide these participants with knowledge/information, guidance/advice, or resources/money. Some of the participants described how social capital influenced their choices. *“I was home jobless and I saw that my friends brought coconut here to sell and that is why I also decided to get some money and enter this business”* says Abass, a coconut seller. Abass’ acquaintance with his friends brought to his attention the coconut business. A business he would have unlikely considered if none of his friends did them. By association, Abass has acquired knowledge of that business and decided to venture into it himself. Boakye, a shoe producer, also had this to say: *“I was living with my uncle and a friend advised me that if I learn how to make slippers, it will help me”*. K Gyasi, a welder, also talked about how his friend helped him enter his current profession. He recalled thus *“When I came to Kumasi, I tried to learn how to be an auto mechanic but I realized it was*

*too difficult for me and that's when a friend whom I used to visit, a welder, advised I learn how to weld. And that's how I got into the welding and fabrication business".* Both Boakye and K Gyasi all received guidance or advice from their social capital to enter into their specific ventures, ventures they likely had no prior interest or knowledge on but were willing to undertake because of their social capital. These two examples highlight the importance of social capital in a network, as both knowledge and guidance are exchanged among members of the network.

Martin Owusu, a tile cement producer, also had this to say

*I visited some friends and in a conversation they mentioned that they have sand pits that they use to construct their houses. So, all they buy is the cement. So, when I returned to my place, after some time, another friend of mine kept pressuring me that I set up a tile cement production for him as he knew how to make them. I told him such a business will be costly, and he said the most important raw material is access to sand. That's when I remembered the sand pits my friends told me. That's how I found myself in the tile cement business.*

These people, along with several others, received some knowledge or guidance from their social ties which helped set them up for self-employment.

Moreover, social ties also provide a source of resources for the participants and these resources in turn determine as to whether they will be able to pursue their desired form of self-employment or not. Most of the participants' desire to enter skilled employment and the one thing that usually obstruct the accomplishment of this purpose is resources. More often, in addition to the provision of knowledge or guidance, social ties also provide resources for some of the participants. The ability to attain one's desire pursuit, especially with regards to acquiring the necessary skills needed for skilled employment often rests on the social ties or networks available to them. Pastor Isaac, a welder, discussed how his relationship with an unrelated person resulted in the man paying for his apprenticeship fee. He put forth thus *"I used to help a certain man, who worked in the mines, with his domestic work and when he was about to leave (relocate) town, he asked what I wanted him to do for me and I asked that he put me in a trade"*.



Nafisa, currently a food vendor, but a trained hairdresser talked about how social ties have impacted her both positively and negatively. She explained accordingly “*Well, I didn’t stay long at home after I completed. In about two months, I had my own saloon. My then boyfriend gave me a container and I had all the hairdressing equipment that I required to operate a saloon. I was able to buy the equipment from my own savings that I had with working with my mother. I, however, operated the saloon for two years until I broke up with my boyfriend and he asked me to return his container to him. That is how my hairdressing business collapsed*”. Nafisa’s relationship to both her mother and ex-boyfriend enabled her to acquire the resources needed to operate her business.

Unfortunately, the termination of the relationship with her boyfriend resulted in the demise of her business, thereby compelling her to enter into a venture which she had not pre-planned or trained for. This highlights the importance of social capital in entrepreneurship in developing countries. It influences entrepreneurship in several ways by shaping how entrepreneurs in these context undertake their ventures.

In summary, the findings of this study indicate that even though self-employment is a very attractive to people in subsistent markets, the major reasons for undertaking them are its viability as an alternative for both education and unemployment, as well as a means for achieving either short or long term goals. Moreover, these entrepreneurs are open to the options of either continuing or exiting their ventures once their goals have been reached. However, in the course of their entrepreneurial career, there are other variables that could also influence their decision of either continuing or exiting their ventures. These influencing variables could make an entrepreneur completely exit their venture and terminate entrepreneurship or exit one venture and re-enter another. In other words, entrepreneurship in subsistent markets is not an end state but rather transitional and evolves.

## **6 DISCUSSION**

This study examines the ways by which entrepreneurs in subsistence markets like Ghana make their way into entrepreneurship, what influences their choice of venture, and how they exit and re-enter entrepreneurship as a result of life events. The model below explains the connection between these parts and how they influence overall the entrepreneurial process in subsistent markets.

### **6.1 OVERALL MODEL**

This study focuses on how entrepreneurs in subsistence markets enter entrepreneurship and how other events and influences guide their choices. The model presented for the findings explore three events that guide entrepreneurs in their path to entrepreneurship. At the start of their employment careers, subsistence entrepreneurs are faced with critical decisions which have broad implications for the rest of their lives. Generally, at this stage, most individuals do not intend to pursue self-employment immediately, either not wanting to engage with it ever, or intending to pursue entrepreneurship only some time in the future.

Yet, they are often forced into entrepreneurship. After this decision to enter entrepreneurship is made, other factors and events influence which venture they choose to pursue, as well as when to enter, exit, and re-enter. Figure 1. Below show the relationships between the events that influence the entrepreneurial choices of the self-employed in Ghana.

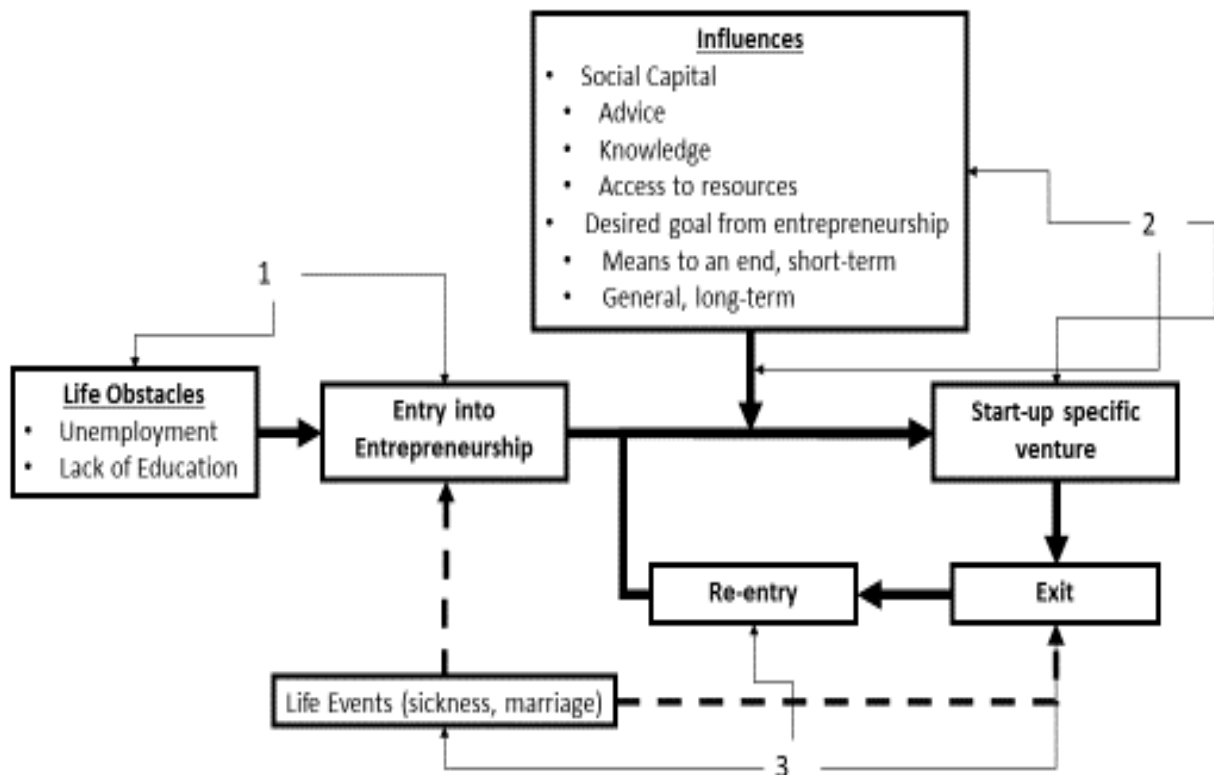


Figure 1. Relationship of events that influence self-employment in Ghana.

At the first stage, which is the early stage, entrepreneurs are faced with ‘early life challenges’ that propel them into entrepreneurship. At this stage, they are usually not planning on engaging in entrepreneurship but desiring to continue with their lives as usual. However, normalcy ends abruptly when they are faced with some tough choices to make. Most of the participants at this stage have just graduated from Junior High School and desire to further their education. Regretfully, it is at this stage that most fail to secure financial support for further studies and so consider another alternative to either secure funds or acquire sources of livelihood, which is employment. Unfortunately, to secure gainful employment with little education in an environment where waged employment is scarce become a tall mountain to climb, and hence self-employment becomes an attractive alternative. Similarly, there are others too at this first stage who had little to no education and have arrived at this stage because they have to decide what they are going to do with their lives or for livelihood. These two categories of people, prior to this stage, were

mostly dependent on others for livelihood. However, for them to be independent and self-sufficient in life, they have to consider what they would do with their lives and usually, with little or no education, entering into self-employment becomes an easy and viable choice as it requires no education or qualifications to pursue.

At the second stage, which is the stage whereby they decide which venture type to pursue, these entrepreneurs encounter several influencers which impact their choices and type of ventures to pursue. These venture specific influencers consist of the influence of social capital and the desired goals expected from entrepreneurship. The social capital of an entrepreneur influences the type of venture they select through knowledge, guidance, and resources. Knowledge from friends and family on specific ventures usually provide these prospects the needed information to choose these ventures. Additionally, friends and family provide guidance or advise to the entrepreneurs on which venture type will be suitable for them based on several factors including the time it takes to start, ease of start, market viability, among others. Finally, social capital also provides sources of resources for these entrepreneurs who at the beginning of their entrepreneurial career lack the resources or the credibility to acquire funding from formal institutions and so depend on family and friends for such provisions.

Aside the influence of social capital on choice of venture, the desired goals expected from entrepreneurship also influence which enterprise to venture into. Given that individual needs differ and some of the entrepreneurs have been thrust into entrepreneurship, the goals expected from entrepreneurship are likely to differ widely, from person to person. Short-term goals which ought to be attained in the shortest possible time would attract an enterprise which is quite easy to start with little resources and training. Likewise, long term goals also influence entrepreneurs to engage in enterprises which they deem suitable for accomplishing such goals, as well as something they could do as a life career.

The third, and final stage influences entrepreneurs both prior and during entrepreneurship. This stage is termed 'life events' and consists of events which occurs to persons as they are

living their normal lives both before and during entrepreneurship. When these events occur, they force the entrepreneur to adjust to accommodate them. These events, namely relocation, marriage, divorce, illness, death, pregnancy, child birth, among many others, could compel an individual to enter, exit or re-enter into entrepreneurship. The occurrence of these events change the family dynamics, perception, social network structure, or ability of the entrepreneur. Basically, these events become a catalyst for change in the lives of these individuals. Often times, these individuals are dependant on others or in a menial waged employment prior to these events and as these events set in, new sources of livelihood ought to be sought. So, the choice to enter entrepreneurship comes easily at this stage as there is often no other available alternative.

## **6.2 PRACTICAL RELEVANCE**

In a nutshell, the findings of this study shows that entry into entrepreneurship in developing context is influenced by early life challenges, life events, and venture influencers. These three events impact how entrepreneurship is undertaken in Ghana and hence there are practical implications that could be made from these findings. Firstly, because this research occurs in a context where poverty is rampant and entrepreneurship is ubiquitous, the application of these findings cuts across individual, organisational, and governmental or state levels. On the personal level, individuals entering into entrepreneurship in poverty contexts are doing so from a disadvantaged position; unemployment, illness, relocation, lack of education, marriage, etc. Moreover, their objectives for entering into entrepreneurship is usually to meet either short or long term goals. For them to make the best decision, instead of these entrepreneurs waiting to be thrust into entrepreneurship, they could spend time properly preparing for entrepreneurship. To avoid pursuing unprofitable or undifferentiated ventures, during the period before entrepreneurship, i.e., during JSS, individuals can use their spare time to

learn tradable skills on a part-time basis so that they would not have to trade education for employment when that is not what they desire but rather as they are pursuing what they desire, they can use their free time to acquire additional skills which would help them smoothly transition from school or unemployment to meaningful employment.

On the organisational level, these findings could also be used to improve subsistent enterprises by entrepreneurs taking into consideration factors that could influence or shape their entrepreneurial careers. By entrepreneurs being aware of the obstacles, events, and impact of specific-venture influencers, they could hedge against these by ensuring that there are already pre-planned actions to be taken in events such occurrences happen. This will provide the entrepreneur with some form of stability as they know which actions are going to be taken in future events. Moreover, by having plans already in place, the entrepreneur would be assured of the long term security of their enterprises and so further commitments could be made to grow their ventures.

Finally, on a governmental level, the government could take steps to ensure the reasons that account for JSS dropouts to pursue self-employment as an alternative to education are taken care of. By making Senior High School education free, there will be significant reduction in the number of people who engage in self-employment with the purposes of furthering their education. Although education is somewhat free in Ghana at both primary and JSS levels, many people have not been able to take advantage of that as there are quite often other expenses like transportation, books, uniforms, feeding, etc. involved in attending school. By ensuring that some of these are made available and free at the SSS, the government could attract a significant proportion of the JSS graduates into continuing to SSS and thus reducing the number of potential entrants into self-employment.

However, since education is expensive and making it free alongside infrastructure development and other budgetary expenses is usually unaffordable by most governments in developing countries, governments could incorporate practical entrepreneurship training in the curriculum at the Junior High School (JSS) level so that after graduation sufficient knowledge and skills would have been acquired to facilitate successful entry into entrepreneurship if desired. Given that education at JSS is geared towards preparing

students for Senior High School (SSS) and does very little to develop real world practical training skills, preparing these students for both SSS and the real world is necessary. Due to the lack of formal wage employment, and the insufficiency of JSS certificates to acquire high paying formal wage employment, introducing practical training courses like auto mechanic, catering, wood-work, masonry, painting, among others could help students at the JSS level to acquire not only the basics of these professions but also practical training that could be utilized to set up successful enterprises. By removing all forms of theory and theoretical examinations and assignments from these skill-development programs, the chances of participants enrolling and completing these programs will be greatly increased.

Furthermore, governments could institute local or community based training and skills development centers to enable those who pursue entrepreneurship because of unemployment to acquire entrepreneurial training and skills for the future in event they decide to enter entrepreneurship. Similar to the practical skill-development programs at the JSS level, these programs could be instituted to provide training to those who are currently unemployed and really looking forward to acquiring skills applicable in certain trades. By broadening the scope of the program beyond that of the JSS level to include diverse trades and skills such driving, beverage or liquor production, cosmetic, cash crop production, poultry rearing etc. could lead to diversity and differentiation of ventures in subsistent marketplaces thereby greatly reducing the levels of imitation of ventures or products that often leads to over-competition and inadvertently to poverty or low income. These training programs could focus on both the acquisition of practical skills necessary to undertake the particular enterprise as well as the managerial knowledge (on a practical level) necessary to operate such ventures.

By formally having skill-development programs that combine practical and managerial knowledge devoid of theoretical or formal ‘white collar’ form of education or training will increase the likelihood of having different levels of differentiated ventures or products in the market as these are more likely to lead to increase in income and growth of ventures. If people understand how certain products are made and the various ways it could be done to

increase quality or come up with the best quality to price ratio, using their practical and managerial knowledge would lead to increased competition but this time not in the manner of just simply duplicating ventures but rather in the manner of coming up with better products and services that offer variety to consumers.

Additionally, because consumers now have a labyrinth of choices available to them for different products and services, they vote with their wallets by buying from the sellers who they consider to offer them the best deal. And since competition is now not based on just replication of ventures but rather on differentiation or innovation, ventures that have little to offer clients will be forced to innovate themselves or risk going out of business. These potential threat will lead to either people going for these skill-development programs themselves to improve their businesses or exit their current enterprise when sales fall drastically. On the other hand, those ventures that are able to really establish themselves in the market will have not only increased income and sales but also the opportunity to attract the needed form of investment for their ventures in the form of credit from creditors, bank, government aid, or even non-governmental organisations (NGOs). These forms of capital investments would lead to increased opportunity in the market place through the ability to negotiate for lower prices on raw materials and other inputs leading to lower cost of production and higher profit margins.

Moreover, these skill-development programs would not only lead to profitability and increased growth for those who participate in them but also it will increase the overall employment in the country. The inadequate level of education of the self-employed and the non-availability of formal waged-employment have led to the situation whereby majority of the self-employed are unable get their product and services incorporated into the development cycle of these formal business. In other words, because their products and services require little to no skills to produce, they are usually unreliable and substandard and hence formal businesses that require these kinds of products and services are often compelled to do them in-house or source for it from another formal business which most often are foreign based or source most of their inputs abroad. When local entrepreneurs are



able to acquire these skills and utilize them to grow their businesses, there will be the need to find innovative ways to improve these products and services and these will then increase the overall competitiveness of the economy, thereby attracting both local and foreign businesses willing to invest the needed capital to fully develop and grow ventures in their respective sectors to supply them products and services that are of high quality and yet quite affordable. As such sectors are being developed in conjunction with these local and foreign enterprises, a cluster of businesses will be attracted to these sectors and an industry will be developed. As more businesses participate in these industries, more complementary products and services will be needed, leading to increased opportunities to be exploited as well as availability of more employment opportunities. With increased availability of jobs, more people will be attracted to seek waged-employment rather than to pursue non profitable replicative ventures.

Subsistent entrepreneurs enter into self-employment not with the purpose of growing enterprises but rather to meet certain objectives which are either short or long term. The significance of this is that when a sizeable number of people at any given time enter into self-employment by just replicating existing enterprises, overall market sales will decrease forcing already existing entrepreneurs who have sourced external funding, e.g. loans, for their enterprises to experience lower sales and ultimately increased probability of defaulting on repaying their loans. One of the objectives of subsistent entrepreneurs is to earn income to repay their loans and defaulting on loans would inevitably lead to higher interests for them. It is therefore imperative that entrepreneurs hedge themselves against such short-term immediate shocks. One way of addressing this issue of sudden unexpected market events leading to undesirable consequences is for subsistent entrepreneurs to form self-help groups.

There are many issues self-help groups could help address in these markets. Firstly, access to credit facilities are quite difficult and before a supplier will be willing to give on credit to a buyer, they should have worked together for a considerable amount of time to develop trust between them. However, in the absence of this form of relationship, a supplier could

grant credit only on the basis of higher prices. And these higher prices not only lead to high cost of doing business but also lower sales as the entrepreneur has to charge above market prices for their goods and services. However, when self-help groups exist, instead of entrepreneurs dealing individually and separately with diverse suppliers and creditors, these groups could pull their resources together and buy in bulk from suppliers and creditors. By pooling resources, they will be able to acquire higher purchasing power and hence exert some form of influence on suppliers to lower their prices. Furthermore, due to this market influence, these self-help groups will be able to also acquire credit facilities for their members at market prices or below what they could get had they dealt individually with these suppliers.

Self-help groups could also enable these entrepreneurs to influence changes in the market place by utilizing properly their buying power. By encouraging their major suppliers to involve them more in their value creating activities beyond retailing and wholesaling, there would be more opportunities available to be exploited to grow their ventures. Undertaking these additional activities will encourage the problem solving skills among the members of the groups which will benefit and offer them the appropriate environment to grow. These opportunities will further the advancement of both parties as these entrepreneurs are closer to the end-users than these suppliers. So by engaging them, they would be a shared responsibility to succeed as failure on their part will lead to not only lack of trust but also a potential demise of their venture. However, succeeding will lead to greater opportunities to exploit and a competitive advantage not available in the market place.

## **CONCLUSION**

In conclusion, subsistent entrepreneurship is regarded as unprofitable for those who partake in it. This poor perception could be changed if the factors that increase subsistent entrepreneurship without necessarily adding any value to it are eliminated. Using this study

of twenty (20) self-employed entrepreneurs in Ghana to provided insights into this phenomenon has shown that even though most individuals pursue self-employment with little potential of growing mega ventures, presenting these with opportunities to excel and grow will positively impact self-employment by increasing competitive advantage, venture growth and employment opportunities.

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## 8 TABLES AND FIGURES

Table of informants' background information.

Name	Gender M/F	Educational level	Previous employment	Current enterprise	Future plans for current venture	Trained for current venture	Length of training (Years)
Abass	M	JSS	Internet café worker	Coconut seller	Quit	No	None
Aishetu	F	None	Coconut, fried yam seller	Food vendor	Continue	No	None
Alfred & Moses	M	JSS	Illegal gold miner, menial jobs	Carpenter	Continue	Yes	3
Gyasi & Eric	M	JSS	Unemployed	Welders	Continue	Yes	5 & 3
Ben Zion	M	JSS	Sold used shoes, security guard	Coconut seller	Quit	No	None
Boakye	M	JSS	Unemployed	Shoe producer	Continue	Yes	3
Isaac Appiah	M	JSS	Shoe-shine	Carpenter	Continue	Yes	3
Maxwell Owusu	M	JSS	Menial jobs	Carpenter	Continue	Yes	3

Maa Jane	F	JSS	None	Seamstress	Continue	Yes	4
Maame Akosua	F	JSS	Farmer	Store operator	Continue	No	None
Madam Emelia	F	JSS	None	Seamstress	Continue	Yes	3
Lucy Baah	F	JSS	None	Seamstress	Continue	Yes	3
Mama Tiwaah	F	None	Unemployed	Seamstress	Continue	Yes	5
Margaret Aya	F	JSS	None	Hairdresser	Quit	Yes	3
Martin Owusu	M	Tertiary level	Cashier	Tile cement producer	Continue	No	None
Nafisa	F	JSS	Sales attendant, hairdresser	Food vendor	Quit	No	None
Pastor Isaac	M	JSS	None	Welder	Continue	Yes	3
Paulina Boakye	F	JSS	Hairdresser, food vendor	Food vendor	Continue	No	None
Sister	F	JSS	Seamstress, sold clothes	Hairdresser	Continue	Yes	1
Vivian Amoh	F	JSS	Cleaner	Recharge card seller	Continue	No	None



Map of Ghana Showing major cities and water bodies.



Source:

Urban water and sanitation in Ghana: How local action is making a difference - Scientific Figure on Research Gate. Available from: [https://www.researchgate.net/figure/Map-of-Ghana-Showing-Major-Towns-and-Water-Bodies\\_fig1\\_265206006](https://www.researchgate.net/figure/Map-of-Ghana-Showing-Major-Towns-and-Water-Bodies_fig1_265206006) [accessed 10 Nov, 2019]

## 9 APPENDIX A – INTERVIEW PROTOCOL

### Background Questions:

1. Can you tell me about yourself?
2. How did you get into this venture?
3. What did you do before this venture?

### Current venture:

4. Can you tell me about what you currently do?
  - What were the goals for starting this venture?
  - Have these goals been achieved?
  - What are the challenges you face in your current venture?
  - Do you ever regret pursuing this venture?
  - What prevents you from pursuing other ventures?
  - Did it ever occur to you to seek waged or salaried employment?
5. Was any formal training required to start this your current venture?
  - If yes, how did you acquire this training and how long did it take you?
6. How did you acquire the resources for your current venture?
7. If you want to grow this venture, what would you need?

### General Questions:

8. What is poverty and wealth?
  - Can poverty be eliminated?
  - How could it be eliminated?

## 10 APPENDIX B – SUMMARY OF INFORMANTS

1. Abass is a single young man of about 24 years who has graduated from JSS and is currently selling coconut to acquire resources to further his education. He hails from the western region but currently lives in Kumasi because of his venture. He intends to quit as soon as he achieves his objectives.
2. Aishetu is a married woman with two children. She is a resident of Obuasi and is currently selling rice and stew in a small roadside kiosk to support herself and family. Her younger child had a medical condition which required him to have brain surgery and constant visits to the hospital for monitoring, and this situation is taking a huge financial toll on her as her profits from her venture is inadequate to support her family in addition to this medical issue.
3. Alfred and Moses are two friends who decided to form a partnership to run a furniture shop. Alfred is a carpenter and Moses brought in capital to rent a store front and contracted Alfred to make for him furniture to be displayed at the store for sale. The profits then would be shared between the two after expenses are deducted. Neither of the two is married. They both reside in Obuasi.
4. Gyasi and Eric are both welders by profession and decided to come together to open a welding business after completion of their training. They both apprenticed at the same place and based on their friendship decided work together. Neither of them is married and they both reside in Kumasi.
5. Bernard is a coconut seller who is single, hails from Cape Coast and currently lives in Kumasi. Bernard is homeless and sleeps in the market place when everyone goes home.
6. Boakye makes slippers for sale in Obuasi. He started that venture in Kumasi and decided to move to Obuasi because of its lucrativeness. He has been in business for over thirty years, unmarried and probably in his mid forties.
7. Isaac is a carpenter who makes his own furniture to display and sell to the public. He is married and currently residing in Obuasi. He has been in business since 2002.

8. Maxwell Owusu runs a carpentry business with her brother. It is a partnership which looks more like a family business. Both Maxwell and his brother have lived abroad prior to the establishment of their business. They started making plans for this venture since 1994 when they purchased their first machine. They have been in business for eight years now. Their business is located in Kumasi.
9. Maa Jane is also a divorcee who currently runs her own dressmaking enterprise in Obuasi. She has a significant number of apprentices at her shop and is pleased with her accomplishment as a seamstress. She is currently the guardian of her niece.
10. Maame Akosua runs her own provision store. She is married and with about three children. She has established one of her daughters in the same venture. She currently resides in Obuasi and has operating this venture for twenty-four years now.
11. Madam Emelia runs a small seamstress business with some few apprentices. She is married without children and currently facing financial constraints as a result of poor firm performance. She currently resides in Obuasi and desires to continue in her venture because that is all that she knows.
12. Madam Lucy Baah is a middle-aged seamstress who decided to pursue self-employment instead of salaried employment because of her lack of education. She is married and runs her business in Obuasi.
13. Madam Tiwaah also runs her own seamstress business. She is unmarried with a teenage son whom she has been responsible for since birth. She comes from the Brong Ahafo region but currently runs her enterprise in Kumasi. She is middle-aged and has been in business for about fourteen years now.
14. Margaret Aya is a married woman with children. She runs a hairdressing saloon in Obuasi and is currently considering exiting and starting a new venture. She is working on a project which when completed, she will quit her current venture and go into buying and selling.
15. Martin Owusu is a trained teacher who currently operates a tile cement business in addition to his profession. He is thirty-five years old and married with one child.

He intends to pursue this business until he could pass it over as a legacy to his children. He lives and operate his venture in Kumasi.

16. Nafisa is a trained hairdresser who currently is not practicing her profession as a result of some financial constraints. She is now running a small roadside food business in Obuasi with the hopes of acquiring resources to open her own saloon. She is unmarried with one child.
17. Pastor Isaac runs a relatively large welding business in Obuasi. He has been in business for over twenty-years. He intends to expand to include the sale of welding machines and is currently planning that partnership with a friend.
18. Paulina Boakye is currently operating a small roadside food business in Obuasi. She has previously trained as a hairdresser for almost four years but decided not to practice. She is married with children. She has one part-time employee who helps her in the preparation of the food.
19. Sister is a single lady who currently runs a hairdressing saloon in Obuasi. She has previously had her clothing business but due to the travelling involved, her dad advised she finds something less risky and that is when she decided to pursue hairdressing. She has been a hairdresser for almost twelve years now.
20. Vivian Amoh runs a small table business in Obuasi selling mobile transfers, recharge calling cards, shoes, and tom brown (roasted cornmeal). She initially wanted to be a seamstress but couldn't afford the apprenticeship training and support. She is currently undertaking a second weekend job in addition to this. She is unmarried and now the guardian of her younger sibling.